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Denver, Colorado 80217
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June 17, 1980

Crystal Exploration and Production Company
P.O. Box 21101
Shreveport, Louisiana 71120

Attention: Robert F. Roberts
President

**PUBLIC
DOCUMENT**

Re: Purchase of Rico Properties

Gentlemen:

This letter represents an offer by The Anaconda Company ("Anaconda") to purchase substantially all of the real and personal property owned by Crystal Exploration and Production Company ("Crystal") in Dolores County, Colorado, including properties of Rico Argentine Mining Company, a division of Crystal.

Anaconda hereby offers to purchase such properties from Crystal on the following terms and conditions:

1. Property Conveyed. The property to be purchased by Anaconda is all of the real and personal property, and related property rights, of Crystal located within Dolores County, Colorado, excepting only the Gulf and Silver Glance Mining Claims (U.S. Mineral Survey No. 7111). Such property to be purchased by Anaconda (the "Property") would include the following:

(a) Real Property. All patented mining claims identified on the attached Exhibit A; all unpatented mining claims identified on attached Exhibit B; all segregated lands described on the attached Exhibit C; and all real property rights, including lots, unsubdivided lands and mineral rights, within the Rico Townsite, identified on the attached Exhibit D. Included with all such real property would be all of Crystal's surface and mineral rights, all standing timber, and all appurtenances and hereditaments, including any easements, rights-of-way and water rights, and together with all buildings, structures and other improvements and fixtures located upon or affixed to such real property (the "Real Property").

(b) Dumps and Tailings. All dumps and tailings ponds, whether located on the Real Property or otherwise, to the extent owned by Crystal and located within Dolores County (the "Dumps and Tailings").

(c) Data and Records. All geological, geophysical, geochemical, assay, engineering, legal, title, metallurgical and other pertinent data, reports, maps, and property appraisals concerning all or any portion of the Real Property, or past exploration, development or mining operations thereon, which Crystal has in its possession, which is reasonably available to Crystal, or which Crystal has a right to obtain from third parties, whether located at Rico, Salt Lake City, Shreveport or elsewhere. Also included shall be all information regarding contacts, past and present, with any environmental, safety, health or mining agency with regard to permits, licenses and approvals of any kind, and environmental or safety concerns, liabilities or responsibilities related to the Real Property. (All such information, reports and data are hereinafter collectively referred to as "Data.")

(d) All drill core obtained from the Real Property which is in Crystal's possession or reasonably available to it (the "Drill Core").

(e) Water Rights. All water rights, whether currently adjudicated or in the process of adjudication, together with all lines, ditches, and other conveyances owned or claimed by Crystal, and together with any other rights to use water, lines, ditches and other conveyances (the "Water Rights").

(f) Personal Property. All personal property currently owned by Crystal which is located within Dolores County which will be inventoried and identified in accordance with Paragraph 3(c) below (the "Personal Property").

(g) Telephone Company. All assets, including equipment, supplies, inventory, franchises, rights-of-way, permits, licenses and approvals, of The Rico Telephone Company (the "Telephone Company").

(h) Unearned Rentals. All rentals received by Crystal prior to the date of closing which include any period of time after that date shall be prorated on the number-of-days method and the unearned portion thereof computed (the "Unearned Rentals").

(i) Miscellaneous. Any right which Crystal may have to subsequently receive a conveyance of any real property located in Dolores County (or any interest therein) by virtue

of the purchase of any tax sale certificate or similar document, or as a result of any pending quiet title or similar action, and any permits, licenses or similar authorizations or approvals applicable to any of the Real Property or the Personal Property (the "Other Interests").

2. Purchase Price. The purchase price for Anaconda's purchase of all of the Property would be Four Million Five Hundred Thousand Dollars (\$4,500,000.00). The purchase price will not be subject to any subsequent adjustment, except that (i) real and personal property taxes for 1980, due and payable in 1981, will be pro rated between Crystal and Anaconda on the number-of-days method; (ii) Colorado Sales Tax on the Personal Property, and on any personal property included in the Telephone Company will be collected and remitted to the State by Crystal; and (iii) except that the Unearned Rentals will be paid to Anaconda at closing. Upon payment of the purchase price to Crystal, Crystal would have no further right, title or interest of any kind in any of the Property, and would retain no subsequent rights to use the crushing plant and mill, or any other facilities included in the Property.

3. Activities Prior to Closing. Beginning immediately, Crystal will discontinue lot sales in the Rico Townsite, and will not otherwise sell, assign, pledge, encumber, lease or convey any part of the Property to any third party.

No later than August 8, 1980, Crystal will deliver to Anaconda the following documents and information pertaining to the Property:

(a) All pertinent documents concerning pending adjudications of water rights and related matters, and regarding pending quiet title or similar actions, which relate to any portion of the Real Property and to which Crystal is a party;

(b) All documents concerning tax sale certificates and similar documents under which Crystal may subsequently receive title to real property located within Dolores County;

(c) A listing of all of the Personal Property, and of all assets of the Telephone Company, which will result from an inventory of all such property conducted jointly by employees of both Crystal and Anaconda prior to August 8, 1980;

(d) Written advice of any errors or omissions in the property descriptions attached hereto as Exhibits A through D;

(e) A list of creditors of Crystal in the form required by and otherwise in accordance with Section 4-6-104(2)(a) of the Colorado Uniform Commercial Code (concerning "Bulk Transfers");

(f) All pertinent documents concerning encumbrances or obligations of Crystal with respect to the Town of Rico, including any easements or rights-of-way granted to that Town;

(g) A list of and, if written, copies of all currently effective leases of any of the Real Property or of structures located thereon;

(h) All pertinent documents concerning the operations or assets of the Telephone Company; and

(i) Any other information which Crystal believes would be helpful to Anaconda in preparing the necessary documents evidencing the conveyance of all of the Property to Anaconda or in facilitating such transfer.

No later than August 8, 1980, as a result of the inventory of the Personal Property and the assets of the Telephone Company described above, representatives of Anaconda and Crystal shall agree, in writing, to a total value for the Personal Property, and of any taxable personal property included in the assets of the Telephone Company, to be used in computing the Colorado Sales Tax due thereon at closing. In the event that the parties are unable to agree to such valuation, a mutually acceptable appraiser shall be selected by the parties and shall complete an appraisal of such property prior to closing. The valuation so established by the appraiser shall be final and used by the parties to compute the Colorado Sales Tax due. All costs of such appraisal, if any, will be shared equally by the parties, one-half to Crystal and one-half to Anaconda.

At least ten (10) days prior to closing, Anaconda shall give notice to all creditors of Crystal identified on the above-described list. Such notice shall comply with Sections 4-6-105 and 4-6-107 of the Colorado Uniform Commercial Code.

4. Closing. The closing of this purchase transaction shall be held on August 27, 1980, in Denver, Colorado at a time and place to be selected by Anaconda, or at any earlier date and time as may be mutually agreed upon by the parties in writing. At closing, Anaconda shall deliver to Crystal a check in the amount of Four Million Five Hundred Thousand Dollars (\$4,500,000.00), less Crystal's pro rata portion of 1980 real and personal property taxes on The Property, payable to Crystal Exploration and Production Company; and a check for the Colorado Sales Tax due with respect to the sale of the Personal Property, and any taxable personal property included on the assets of the Telephone Company. Crystal shall deliver to Anaconda the following documents, executed and acknowledged on behalf of Crystal:

(a) A good and sufficient Special Warranty Deed, in substantially the form of attached Exhibit E, conveying all of the Real Property to Anaconda;

(b) A good and sufficient Bill of Sale, in substantially the form of attached Exhibit F, conveying all of the Personal Property, the Data and the Drill Core to Anaconda, and conveying any portion of the Dumps and Tailings not effectively conveyed by such Special Warranty Deed;

(c) All assignments, quitclaim deeds or similar documents necessary to effectively transfer the Water Rights, the Other Interests and the Telephone Company to Anaconda;

(d) A good and sufficient Quitclaim Deed, in substantially the form of attached Exhibit G, conveying all of the Property to Anaconda;

(e) An opinion of corporate counsel that appropriate officers of Crystal have full power and authority to execute and deliver the Special Warranty Deed, Bill of Sale and Quitclaim Deed to Anaconda at closing; and

(f) Written notices of change of ownership and payment instructions, for mailing by Anaconda, addressed to each of the lessees identified pursuant to Paragraph 3(f) above.

Crystal will also deliver a check to Anaconda in the amount of the Unearned Rentals. The Data shall be delivered to Anaconda at the closing or may, at Crystal's option, be delivered to Anaconda at Rico or Denver prior to the closing. All drill core will be delivered to Anaconda at Rico on or before the date of the closing.

5. Warranties.

(a) Crystal represents and warrants that the instruments to be delivered to Anaconda at closing will convey and assign to Anaconda all of its surface and mineral rights and interests with respect to properties (excepting only the Gulf and Silver Glance Mining Claims, U.S. Mineral Survey No. 7111) owned by Crystal in Dolores County, Colorado. If such be not the case, Crystal agrees to promptly convey or assign such other property, rights or interests to Anaconda at closing, or at any time thereafter, without additional consideration.

(b) Crystal agrees that it will not, for a period of five (5) years from the date hereof, locate or otherwise acquire claims, rights or interests in or to lands situated within Dolores County, Colorado. If Crystal so does locate or otherwise acquire any such claims, rights or interests,

then Crystal agrees to promptly convey or assign such claims, rights, or interests to Anaconda, without additional consideration. The provisions of this Paragraph 5(b) shall not be applicable to any mineral right or interest acquired by Crystal which is limited, by the terms of the applicable instrument, only to exploration for or development of oil, gas and associated hydrocarbons.

(c) Crystal represents and warrants that it owns the Property free and clear of all liens, encumbrances, and conflicts of community property interests, or other interests, excepting only real or personal property taxes for 1980, due and payable in 1981, and the leases to be identified pursuant to Paragraph 3(f) above, and that it has full power and authority to enter into this agreement, and to convey the Property to Anaconda as herein provided.

(d) Crystal represents and warrants that all real and personal property taxes for 1979, and prior years, have been paid in full.

(e) Crystal represents and warrants that all Data and Drill Core will be delivered to Anaconda at or before the closing, and that Crystal will not retain copies of any of the Data.

(f) Crystal covenants and represents that it will fully comply with both the Colorado Uniform Commercial Code - Bulk Transfers and the Colorado Emergency Retail Sales Tax Act of 1935 to the extent those statutes apply to this purchase and sale transaction.

(g) The representations and warranties set forth in this Paragraph 5 shall survive any closing hereunder.

6. Notices and Communications. Any notice, transmittal of information or other communication given under this agreement shall be in writing and shall be delivered personally, or sent by certified mail, addressed as follows:

If to Anaconda:

The Anaconda Company
555 Seventeenth Street
Denver, Colorado 80217
Attention: Manager, Mineral
Lands Department

If to Crystal:

Crystal Exploration and
Production Company
P.O. Box 21101
Shreveport, Louisiana 71120
Attention: Robert F. Roberts

7. Successors and Assigns. All of the terms, covenants and conditions of this agreement shall inure to the benefit and be binding upon the respective successors, legal representatives and assigns of the parties.

8. Prior Agreement. This agreement shall have no current effect upon the agreement between The Anaconda Company and Rico Argentine Mining Company, a division of Crystal Exploration and Production Company, dated June 1, 1978, as amended by Amendment No. 1 dated October 20, 1978. Upon the conclusion of the closing provided for in Paragraph 4 above, title to the Property will be merged in Anaconda and the June 1, 1978 Agreement, as amended, will be deemed terminated and of no further force and effect. At that time a document, in recordable form, evidencing such termination shall be executed by the parties thereto.

9. Further Assurances. From time to time, upon reasonable request of the other, Anaconda and Crystal will execute and deliver to the other such documents and instruments, and provide such information, and take such other actions as reasonably may be necessary or advisable in order to promptly and completely carry out the purchase and sale transaction contemplated hereby.

10. Memorandum of Agreement. At Anaconda's request, Crystal will execute a Memorandum concerning this agreement for recording by Anaconda in Dolores County. Crystal will not record this agreement in Dolores County without the prior written consent of Anaconda.

11. Announcements. Neither party shall make any public announcement or statement concerning the making of this agreement, or any of the terms and provisions hereof, without the express prior written authorization of the other party.

12. Miscellaneous.

(a) Crystal will make no objection to any offer of employment Anaconda may, at its sole election, make to any current employee of Crystal located at Rico, Colorado.

(b) This agreement and all other instruments executed in furtherance of the transaction contemplated hereby, and the rights and obligations of the parties hereunder and under such other instruments, shall be governed in accordance with the laws of the State of Colorado.

(c) The invalidity or unenforceability of any portion or provision of this agreement shall in no way affect the validity or enforceability of any other portion or provision of this agreement.

(d) This agreement may not be amended or modified in any respect except by a written agreement signed by the parties.

(e) Anaconda and Crystal each represent and warrant to the other that they have the full power and authority to execute this agreement.


(f) All exhibits mentioned in this agreement shall be attached hereto and shall form an integral part hereof.

If you accept the foregoing offer, please indicate your acceptance by executing and returning the enclosed copy. After it has been so executed, it shall be a binding contract of purchase and sale between Crystal and Anaconda.

Very truly yours,

THE ANACONDA COMPANY

By


G. A. Barber, Vice President

AGREED TO AND ACCEPTED this 17th day of June, 1980.

CRYSTAL EXPLORATION AND PRODUCTION COMPANY

By


Title President

STATE OF COLORADO
City and
County of Denver

)
) ss.
)

The foregoing instrument was acknowledged before me on this 17 day of June, 1980, by H. A. Barker, a Vice President of The Anaconda Company, a Delaware corporation.

Witness my hand and official seal.

[Signature]
Notary Public

My commission expires _____

STATE OF LOUISIANA

Parish of Caddo

)
) ss.
)

My Commission expires September 26, 1983

The foregoing instrument was acknowledged before me on this 17th day of June, 1980, by Robert F. Roberts, as the President of Crystal Exploration and Production Company, a Florida corporation.

Witness my hand and official seal.

[Signature]
Notary Public

My commission expires _____

Attachments:

- Exhibit A - Patented Mining Claims
- Exhibit B - Unpatented Mining Claims
- Exhibit C - Segregated Lands
- Exhibit D - Rico Townsite Lands
- Exhibit E - Special Warranty Deed
- Exhibit F - Bill of Sale
- Exhibit G - Quitclaim Deed

LAMAR G. CASKEY, JR.
NOTARY PUBLIC, Caddo Parish, Louisiana
My Commission is for Life